

Message Text

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TO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY VIENNA

AMEMBASSY LUXEMBOURG

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INFORM CONSULS

E.O. 11652: N/A

TAGS: EINV, XG

SUBJECT: INVEST IN USA PROGRAM

1) THE OBJECTIVES OF COMMERCE IN APPOINTING INDUSTRIAL

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DEVELOPMENT ATTACHES IN EUROPE IN 1967 AND IN 1972 WERE

TO CREATE A UNIVERSE OF POTENTIAL FOREIGN INVESTORS NOT THEN EXISTING; TO CREATE AN AWARENESS IN INDUSTRIAL, AND GOVERNMENTAL CIRCLES AND IN THE MEDIA, OF OUR OPEN-DOOR POLICY TOWARD FOREIGN DIRECT CAPITAL INVESTMENT; AND TO DEMONSTRATE TO INDIVIDUAL STATES THE EFFECTIVENESS OF A EUROPEAN OFFICE OPERATION. THESE OBJECTIVES HAVE BEEN ACHIEVED.

2) THROUGH VARIOUS MEANS SINCE 1967, ESPECIALLY THE MINI AND FORMAL CONFERENCES, APPROXIMATELY 1600 EUROPEAN FIRMS HAVE BEEN IDENTIFIED AS HAVING SOME INTEREST IN INVESTING IN THE UNITED STATES. THE NAMES OF THESE FIRMS HAVE BEEN CIRCULATED TO THE INDUSTRIAL DEVELOPMENT AGENCIES OF THE FIFTY STATES BY THE NATIONAL ASSOCIATION OF STATE DEVELOPMENT AGENCIES (NASDA) FOR USE BY THEM IN THEIR PROMOTIONAL ACTIVITIES. PUBLICITY GENERATED BY THESE CONFERENCES AND OTHER PROGRAM ACTIVITIES HAS CLEARLY INDICATED THE POLICY OF THE UNITED STATES AS HAS THE TESTIMONY GIVEN BY ESTABLISHED EUROPEAN INVESTORS IN THE MEDIA AND AS CONFERENCE PARTICIPANTS.

3) IN 1967 ONLY THREE STATES HAD EUROPEAN OFFICES DEALING WITH DIRECT CAPITAL INVESTMENTS. AT PRESENT THERE ARE 18 STATE OFFICES DEALING EXCLUSIVELY WITH INVESTMENT AND TRADE. OTHER STATES HAVE PORT AUTHORITY OFFICES THAT ALSO SERVICE THE INDUSTRIAL DEVELOPMENT AGENCY OF THE STATE IN INVESTMENT AND TRADE MATTERS. AN INCREASE OF THREE OR FOUR MORE STATE OFFICES IS EXPECTED DURING THE NEXT TWELVE MONTHS. COMMERCE IS CONTINUING ITS EFFORTS TO ENCOURAGE STATES, AND IN SOME INSTANCES REGIONAL GROUPINGS, TO OPEN EUROPEAN OFFICES TO PROMOTE INVESTMENTS.

4) THE SUCCESS OF THE INVEST IN THE USA PROGRAM AND THE EFFORTS OF THE STATES IN THE PROMOTION OF FOREIGN DIRECT CAPITAL INVESTMENTS IN THE UNITED STATES MAKE IT POSSIBLE FOR COMMERCE TO BEGIN PHASING OUT ITS REMAINING INVEST-IN-THE-USA POSITION IN EUROPE. ACCORDINGLY, IN AGREEMENT WITH THE PRESENT INDUSTRIAL DEVELOPMENT ATTACHE AND IN VIEW OF SERIOUS FY 1976 BUDGET CONSTRAINTS, COMMERCE WILL DISCONTINUE THE UNCLASSIFIED

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POSITION OF THE INDUSTRIAL DEVELOPMENT ATTACHE FOR EUROPE - BRUSSELS, AS OF JUNE 30, 1975, RATHER THAN IN JANUARY 1976 AS PLANNED.

5) THIS ACTION IS NOT - REPEAT NOT - TO BE INTERPRETED AS INDICATING A CHANGE IN GOVERNMENT POLICY. THE POLICY AND GUIDELINES AS EXPRESSED IN THE CIEP REPORT DATED AUGUST 8, 1974 PREVIOUSLY DISTRIBUTED

TO POSTS; AND THE STATEMENT OF POLICY BY PRESIDENT FORD AT THE SIGNING OF THE FOREIGN INVESTMENT STUDY ACT - QUOTE WE CONTINUE TO BELIEVE THAT THE OPERATION OF FREE MARKET FORCES WILL DIRECT WORLDWIDE INVESTMENT FLOWS IN THE MOST PRODUCTIVE WAY. THEREFORE, MY ADMINISTRATION WILL OPPOSE ANY NEW RESTRICTIONS ON FOREIGN INVESTMENT IN THE UNITED STATES EXCEPT WHERE ABSOLUTELY NECESSARY ON NATIONAL SECURITY GROUNDS OR TO PROTECT AN ESSENTIAL NATIONAL INTEREST. END QUOTE - ARE STILL VALID AND REMAIN ADMINISTRATION POLICY.

6) COMMERCIAL OFFICERS IN EUROPEAN POSTS ARE TO CONTINUE THEIR ACTIVITIES IN SERVICING POTENTIAL INVESTORS AND RESIDENT STATE OFFICES. IN INSTANCES WHERE A POTENTIAL INVESTOR INDICATES INTEREST IN RECEIVING DATA ON A STATE HAVING A EUROPEAN OFFICE, POSTS ARE TO REFER THE INVESTOR TO THAT OFFICE. OTHER INQUIRIES SHOULD BE FORWARDED TO COMMERCE FOR APPROPRIATE DISSEMINATION.

7) COMMERCE AND POSTS ARE TO CONTINUE TO OFFER SERVICES IN EUROPE TO THOSE STATES WITHOUT EUROPEAN REPRESENTATIVES BY PROVIDING INQUIRING POTENTIAL INVESTORS WITH THE NAME AND ADDRESS OF THE STATE AGENCY AND TO ASSIST THESE STATES IN ARRANGEMENTS ASSOCIATED WITH A FOLLOW-UP STATE MISSION. COMMERCE WILL ENDEAVOR TO HAVE STATES PLANNING AN OFFICIAL STATE MISSION ASSIGN AN ADVANCE MAN TO PRECEDE THE MISSION BY A REASONABLE TIME TO MAKE APPROPRIATE ARRANGEMENTS FOR APPOINTMENTS, INTERPRETERS, TRANSPORTATION, HOUSING, ETC., TO REDUCE POST WORKLOAD. COMMERCE DOES NOT NOW ENVISAGE A SIZEABLE INCREASE IN SUCH MISSIONS FROM STATES NOT REPRESENTED IN EUROPE.

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